



FACTORS INFLUENCING ON CUSTOMERS DECISIONS TO PURCHASES ONLINE AND OFFLINE SHOPPING OF MOBILE PHONES

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ABSTRACT

The aim of the study is to examine the Factors influencing on customers decisions to purchases online and offline shopping of mobile phones. Data collected form 600 sample using convenient and snowball sampling and data were analyzing ANOVA and t-test using SPSS 21 version. The study result revealed that factors such as Discounts & offers, Convenience of the product, Easy and free availability of the product had no significance difference between online and offline purchases of mobile phones, similarly factors such as Product quality, Product variety, Customer service, Product Performance had shown significant difference between online and offline purchase of mobile phones in Telanagna.

KEYWORDS: *Discounts & offers, Convenience of the product, Product quality, Product variety, Customer service, Product Performance.*

1. INTRODUCTION

Shopping is an integral aspect of daily life. While some obtain the bare necessities through shopping, others acquire something more. It is considered a technique to relieve tension, fulfil a mental goal, or give some flavour to the mechanical way of life. Shopping is perhaps one of the first phrases used to describe what we've been doing for centuries. So what does conventional shopping have to offer now that the Internet has given existing customers access to a larger and more appealing market? Shopping may be classified into two broad categories: conventional shopping and online shopping. Nowadays, an increasing number of individuals 'go shopping' over the Internet, owing to the computer's widespread use. By typing just a single word, thousands of products will appear on the screen depending on your selection. There is no need to wade over a long road and shove your way past bustling people to get a pair of posh shoes. Online shopping has become a more integral part of life in the twenty-first century. Its success may be attributed to the fact that convenience is prized in today's environment.

Online shopping enables you to get everything and everything you need, whether on a journey or getting ready for bed. Since the Internet's conquest, online shopping has become a popular means of shopping. The advancement of technology gives sellers excellent options to contact their customers

much more quickly, efficiently, and economically. Online shopping has exploded in popularity in recent years. Nowadays, the Internet commands the retail market's attention.

On the other hand, conventional market purchases have continued for years. Many buyers purchase offline to see the merchandise and take ownership of it immediately upon payment. In today's environment, consumer loyalty is contingent upon a company's constant ability to deliver on its promises of quality, value, and satisfaction. Some like to purchase offline, while others prefer to shop online, and many choose to do both. The research focuses on the consumer's decision to shop on the Internet or in brick-and-mortar establishments during the information-gathering time. However, internet buying is more convenient for consumers and more affordable than physical purchasing. When making a purchase choice, the customer should consider the purchase medium, whether online or offline. Consumers should choose the channel that best meets their needs and desires and satisfies them. Understanding how consumers choose a particular medium for purchasing things is critical from a management standpoint in today's competitive environment. After online shopping, the third-best and most common internet activity is e-mail use, instant messaging, and web surfing. These are even more important than viewing or being entertained on the Internet or obtaining information or news; these



are the two highly prevalent thoughts that spring to mind when thinking about what internet users do online. Online shopping behaviour is often referred to as online purchasing behaviour or internet shopping. Purchasing behaviour refers to the act of purchasing goods through the Internet using a web browser. The consumer's attitude and behaviour toward online buying are connected. Previous research has focused on the reasons why online shopping items are distinct from other products.

Many studies have focused on the high touch products that consumers feel when they need to touch, smell or try the product. Even with the growth of internet buying and the knowledge that it is more likely to exert pressure on offline or conventional purchasing, The research in this subject or field is quite limited. Online or e-shopping is a kind of electronic shopping that enables consumers to buy things directly from the vendor over the Internet through a web browser. Online shopping is also referred to as e-web store, e-shop, e-store, internet shop, web-shop, web-store, online storefront, and virtual store. Mobile commerce, or m-commerce, is buying from an online merchant using mobile-optimized internet sites or applications. The online channel is used for research, and the offline channel for purchase. The phrases "online" and "offline" have distinct meanings in the context of computer technology and telecommunications, where "online" refers to a connected state and "offline" to a disconnected one.

2. LITERATURE REVIEW

Dr.Sivanesan, R., C, M., P.V., B., & S.A., A. (2017) in their study tried to recognize that, how consumer measure channels for their purchasing; The objective of their study was to provide an impression of online shopping decision process by comparing the offline and online decision making and identifying the factors that motivate customers to decide whether to do online shopping or go for the offline shopping. The study found that female is more into online shopping than male. The people from the age group 35 and above are less likely to do online shopping because they are less aware of the technology.

Sarkar (2017) found that there is a significant difference between consumer purchase style in online and offline medium which is based on certain parameters. Despite the rapid growth in online sales in India and the projection of further uptick in this medium of shopping, the majority of consumers in India still prefers the so called 'real' shopping experience of brick and mortar shops, it's mostly the youngsters who are fueling the amazing growth story of online shopping in India. Advent of online medium of shopping has no doubt hit the offline stores hard. Large discounts offered by the e-tailers

have indeed put enormous pressure on their bottom line.

Sinha, A. K., & Chandra, D. K. (2013) analyzed factors affecting on online shopping behavior of consumers that might be one of the most important issues of e-commerce and marketing field. 100 questionnaires were dispersed among the citizen of Bhilai-Durg (Twin City) who were the consumers of Bhilai –Durg and the online shoppers. Regression analysis was used on data in order to test hypothesized of the study. The findings of their study were that there is strong correlation between age, income and education level with on-line shopping.

Andrian & Sihombing (2014) studied the factors that have influenced consumer purchase intention for online shopping. They examined the relationship between purchase intentions (dependent variable) and identified four independent variables which include utilitarian value, hedonic value, security and privacy. Data collected from 200 college students who have done online shopping at Traveloka.com websites by using non-probability sampling method. The data was analyzed by multiple regressions. This study shows the purchase intention influenced by utilitarian value and security. On other hand, hedonic value and privacy were not the factors that affecting the purchase intention.

Ms. Jain, Ms. Goswami, & Ms. Bhut (2014) studied the impact of Perceived Risk, Perceived enjoyment, Perceived usefulness and Perceived ease of use factors on online opping behavior of consumers in Delhi. The sample of the study comprised of 160 online shoppers from Delhi. Respondents belonged to different age groups, income groups and occupations and have a prior experience in online shopping. A pre – structured questionnaire was used with a 5 point Likert rating scale to measure the factors influencing the respondent's behavior to shop online. The empirical results revealed that only one factor, namely Perceived Risk significantly affected online shopping behavior of consumers in Delhi while Perceived enjoyment, Perceived ease of use and Perceived enjoyment hinders the consumers to shop online so the researchers suggests that the companies must focus on Perceived risks to develop consumers trust towards online shopping.

Dr.Sharma, Dr.Mehta, & Sharma (2014) studied the online buying behavior of consumers in India. They also attempted to get information about the scope of improvement in online shopping website. They analyzed that the Indian consumers are also getting addicted to the online shopping and they do like various features of online shopping as by rest of the world.

Dr.Nagra & Dr.R (2013) used both qualitative and quantitative research methods to study the impact of Demographic factors of consumers on on-line



shopping parameters like satisfaction with on-line shopping, future purchase intention, frequency of on-line shopping, numbers of items purchased, and overall spend on on-line shopping. The results of study revealed that on-line shopping in India is significantly affected by various demographic factors like age, gender, marital status, family size and income and proved that the respondents have perceived online shopping in a positive manner.

Dr.Hooda & Mr.Aggarwal (2012) examined the key consumer behavior attribute and relation among them with E marketing perspective. They studied the acceptance rate of e-marketing among the Jaipur consumers and its impact on their purchase decision. The result of their study was that people irrespective of age and gender surf internet. However significant difference exists between the age and attributes of online trading but it do not have any relation with the gender. Most of the respondents are hesitant to purchase items over internet because of security concerns Influence on the buying intentions and adoption stages; there was no systematic interpretation about how the first time buyer was likely to continue with buying online or would like to intensify or pull more of existent products available offline.

Vijaya sarathy & Jones (2000) found that perceived risk influenced both attitudes toward online shopping and intention to shop online in line with other studies. However, perceived risk is said to decrease with internet experience.

3. RESEARCH GAP

Customer happiness has emerged as a significant differentiator in both online and offline buying. Customers' satisfaction assesses how pleased customers are with each product, its quality, and the whole experience. It shows whether or not the customer is satisfied with the business. It is also an important factor in determining a company's success. Thus, the lesson for retailers is that consumer expectations are continuously rising, and only satisfied consumers would be more loyal in the long run. Various service sectors have researched throughout the years to evaluate the reasons for customer satisfaction and loyalty for a certain quality of service aspects. However, in India, online shopping is quickly becoming the top and next growing industry. For the time being, online shopping is in jeopardy. They face stiff competition from other formats and must provide further innovations to satisfy and retain customers. Thus, in the present market scenario, consumers are the primary drivers of company viability. Customer happiness is important in the buying habit; if customers are pleased with their purchase, they will continue to buy more and more. In terms of previous

research studies, most of them focused on customers' offline and online buying habits. In recent years, most e-commerce sites have increased their deals and discounts to attract consumers and meet their wants and requirements, even though customers are more interested in purchasing offline to meet their demands. There was very scant research on customer satisfaction concerning Online and Offline shopping of Mobile phones. Hence, this research study will fill this gap and investigate consumer satisfaction about online and offline mobile phone purchasing in Telanagna.

4. OBJECTIVES

The particular objectives of the examination are as per the following.

- To study the socio-demographic status of the consumer of online and offline shopping.
- To explore the factors those affect the decision of customers to buy mobile phones online and offline.

5. HYPOTHESES

To achieve the previously mentioned objectives, the accompanying speculation has been built up in the investigation.

- **H01:** There is no significant difference between the factors affecting mobile phones' purchase decisions concerning online and offline shopping.

6. RESEARCH METHODOLOGY

- **Research Design:** Descriptive research
- **Sources of data:** Primary source of data is collected from the respondents through structured questionnaire and it was in order to collect data on Factors influencing on customers decisions to purchases online and offline shopping of mobile phones. Secondary data is collected from various Journals, Periodicals such as Magazines, Business newspapers, and from subject related books and websites.
- **Data collections methods:** Data has been collected using structure questionnaire through customer survey method and personal interview of Factors influencing on customers decisions to purchases online and offline shopping of mobile phones.
- **Sampling area:** Hyderabad and Secunderabad cities of Telanagna
- **Sampling Method:** Convenience and snowball sampling method has been used to collect sample of 600 respondents.
- **Statistical tools used:** ANOVAs and t-test using by SPSS 21.0.



7. RESULTS AND DISCUSSIONS

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.855	0.887	20

From the Table 1, it shown that the questionnaire is tested for its reliability and presented the results here under. The questionnaire developed is pretested and validated through face validity as it was sent to a carefully selected sample of experts and it also has a sufficiently good reliability score. The result given

the value of the as **0.855**; It indicates that, the data has a high reliability and validity.

Summary Item Statistics: It is evident that the summary of the means, variances, covariance and inter-item correlations are presented in the following table.

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.468	2.586	4.515	2.421	2.108	0.275	20
Item Variances	0.43	0.184	1.599	1.419	16.324	0.098	20
Inter-Item Covariance's	0.025	-0.443	0.621	1.152	-1.121	0.021	20
Inter-Item Correlations	0.057	-0.532	0.682	1.41	-1.064	0.051	20

Source: Primary data

It is obvious the minimum and maximum mean, Range, and variance values for item means, item variances are positive. Maximum mean is witnessed for Item means is 4.515. Maximum variance is 1.599, maximum inter item covariance is

witnessed is 0.621 and maximum inter-item covariance is found to be 0.682.

Demographic Variables: The frequency distribution of demographic variables is presented in the following table.

Particulars	Classification	No of Responses	Percentage
Age	Below 20 years	134	22.3
	21-30	166	27.7
	31-40	163	27.2
	41-50	102	17.0
	51 and above	35	5.8
Gender	male	420	70.0
	female	180	30.0
Education	SSC	48	8.0
	intermediate	73	12.2
	Degree	174	29.0
	Post Graduation	202	33.7
	Above Post Graduation	103	17.2
Occupation	Govt employee	184	30.7
	Private employee	216	36.0
	Business	70	11.7



	Home maker	62	10.3
	Student	68	11.3
Monthly income (in rupees)	below 25,000	52	8.7
	25,001 - 35,000	90	15.0
	35,001- 45,000	241	40.2
	45,001 - 55,000	149	24.8
	55,001 and above	68	11.3
Total		600	100%

Source: Primary data

The descriptive analysis of all the demographical variables is shown in Table 3, it is found that 27.7 percent of the respondents aged between 21-30 years, 27.2 percent of the respondents aged between 31-40 years, 22.3 percent of the respondents aged below 20 years, 17 percent of the respondents aged between 41-50 years and 5.8 percent of the respondents aged 51 years and above. Similarly, 70 percent of the respondents were male respondents and remaining 30 percent of the respondents were female. 33.7 respondents belong to Post Graduation. Followed by, 29 percent of the respondents belong to Degree, 17.2 percent of the respondents belong to Above Post Graduation, 12.2 percent of the respondents belong to intermediate and 8 percent of the respondents belong to SSC. 36 percent of them were private employees. Followed by 30.7 percent of them were govt. Employees, 11.7 percent of them were business people, 11.3 percent of them were students and 10.3 of them were Home maker 40.2 percent of the respondents earn monthly income level is 35,001- 45,000 rupees. Followed by 24.8 percent of them earn 45,001 - 55,000 rupees, 15.0 percent of them earn 25,001 - 35,000 rupees, 8.7

percent of them earn below 25,000 rupees and 11.3 of them earn 55,001 and above rupees for monthly.

7.1 ANOVA: The ANOVA is used to determine whether there are any statistically significant differences between the means of two or more independent (unrelated) groups. So it is conducted in order to understand whether there is any significant difference in opinions of respondents on factors that affect a customer's decision to buy Mobile phones online the results are presented in the following table.

ANOVA for Factors that affect a customer's decision to buy Mobile phones online: In order to identify the mean difference between groups, for that Analysis of variance statistics is conducted between customer decision to buy mobile phones online, for that research has considered factors such as Discounts & offers, Product quality, Convenience of the product, Company reputation, Product variety, Customer service, Easy and free availability of the product and Product Performance, and the respondent's level of agreements describe in respected tables.

		Sum of Squares	df	Mean Square	F	Sig.
Discounts & offers	Between Groups	50.575	4	12.644	22.027	.000
	Within Groups	341.543	595	.574		
	Total	392.118	599			
Product quality	Between Groups	6.157	4	1.539	1.469	.010
	Within Groups	623.561	595	1.048		
	Total	629.718	599			
Convenience of the product	Between Groups	3.527	4	.882	.644	.031
	Within Groups	814.866	595	1.370		
	Total	818.393	599			
Company reputation	Between Groups	3.413	4	.853	.706	.588
	Within Groups	719.305	595	1.209		
	Total	722.718	599			
Product variety	Between Groups	.410	4	.103	.084	.007
	Within Groups	729.188	595	1.226		
	Total	729.598	599			



Customer service	Between Groups	9.030	4	2.257	1.531	.192
	Within Groups	877.530	595	1.475		
	Total	886.560	599			
Easy and free availability of the product	Between Groups	5.410	4	1.352	.889	.040
	Within Groups	905.548	595	1.522		
	Total	910.958	599			
Product Performance	Between Groups	4.951	4	1.238	.931	.045
	Within Groups	790.722	595	1.329		
	Total	795.673	599			

Table shows the performance of the ANOVA study on customer's decision to buy Mobile phones online. Concerning Discounts & offers, 50.575 is the between-group variation and 341.543 is the within-group variation. It also reveals that F-distribution 22.027. Followed by, the level of significance is .000, which is less than 0.05. Regards product quality, the between-group variance is 6.157, and the within-group variation is 623.561. It also shows that the F-distribution is 1.469. The level of significance is 0.000, which is less than 0.05. Convenience of the product, the between-group variance is 3.527, and the within-group variation is 814.866. It also shows that the F-distribution is .644. The level of significance is 0.000, which is less than 0.05. Company reputation, the between-group variance is 3.413, and the within-group variation is 3.413. It also shows that the F-distribution is .706. The level of significance is 0.588, which is more than 0.05 ($p > .005$). Product variety, the between-group variance is .410, and the within-group variation is 729.188. It also shows that the F-distribution is .084. The level of significance is 0.007, which is less than 0.05 ($p < .005$). Customer service, the between-group variance is 9.030, and the within-group variation is 877.530. It also shows that the F-distribution is 1.531. The level of significance is 0.192, which is more than 0.05 ($p > .005$). Easy and

free availability of the product, the between-group variance is 5.410, and the within-group variation is 905.548. It also shows that the F-distribution is .889. The level of significance is 0.040, which is less than 0.05 ($p < .005$). Product Performance, the between-group variance is 4.951, and the within-group variation is 790.722. It also shows that the F-distribution is .931. The level of significance is 0.045, which is less than 0.05 ($p < .005$). Therefore, Discounts & offers, Product quality, Convenience of the product, Product variety, Easy and free availability of the product, and Product Performance factors statistically influence on the customer's decision to buy Mobile phones online, whereas company reputation and Customer service not significant.

7.2 Independent t-test: The mean values, Standard Deviation and Standard Error Means are calculated for the different dimensions of online and offline shopping factor like Discounts & offers, Product quality, Convenience of the product, Company reputation, Product variety, Customer service, Easy and free availability of the product and Product Performance of factors affecting mobile phones' purchase decisions concerning online and offline shopping are furnished in the following table.

Table 5 Independent Samples Test results

Factors	t	Sig.
Discounts & offers	2.922	.026
Product quality	.288	.230
Convenience of the product	.386	.020
Product variety	-.962	.211
Customer service	1.120	.338
Easy and free availability of the product	1.171	.047
Product Performance	.668	.149

The t-value (.288) was not statistically significant at 5 percent sig concerning the factor Product quality. Similarly, t-values of Product variety (-.962), Customer service (.338) and Product Performance (.149) were not statistically significant, these factors did not shown any changes among the online and offline mobile purchasing, At the same time, factors like Discounts & offers ($t=2.922$;

$p < 0.05$), Convenience of the product ($t=.386$; $p < 0.05$) and Easy and free availability of the product ($t= 1.171$; $p < 0.05$) shows significance influence, these mean these factors had affecting mobile phones' purchase decisions concerning online and offline shopping.



CONCLUSION

The purpose of this research is to investigate the variables that influence consumers' choices to acquire mobile phones both online and offline in the state of Telanagna. Using an easy and snowball sample strategy, primary data were acquired from respondents who had previous experience buying mobile phones both online and offline using the convenient and snowball sampling method. The researcher has gathered 600 samples from both online and offline consumers and is now evaluating the data using ANOVA and the t-test methods. According to the findings of the study, factors such as discounts and offers, product convenience, easy and free availability of the product, and product performance did not show a significant difference between online and offline purchases of mobile phones in Telanagna. Similarly, factors such as product quality, product variety, customer service, and product performance did show a significant difference between online and offline purchases of mobile phones in Telanagna, according to the findings of the study.

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